



# Amendment of Gas Quality NTS Entry Specification at BP Teesside System Entry Point

London, 1 May 2014

# Agenda



- Reason for change
- Proposed solution and rationale
- Impact along the objectives
- Pre modification engagement with National Grid NTS
- Results of Initial National Grid analysis (National Grid NTS to present)

# Reasons for change



- The current co2 limit is incompatible with natural gas spec of new potential upstream developments.
- Current Co2 limit is already causing interruptions to existing production on certain days
- Based on current Co2 limit, the only solution available would be to process gas either offshore or onshore.
  - Processing is a high cost option and added to increasing complexity of extracting remaining UKCS gas, it could reduce economic delivery.

# Proposed solution and rationale



- SOLUTION
  - increase to 4.0mole% the Co2 limit for BP Teesside System Entry Point
- RATIONALE
  - Allow economic delivery of a higher volume of gas
  - Initial assessment on NTS - no material impact to network
  - Impact on consumers and downstream connected parties - some initial views obtained

# Impact along the objectives



- Efficient operation of NTS and other networks would improve thanks to
  - Utilizing more efficiently the existing infrastructure capacity
  - Extending the useful life of existing assets
- Competition among shippers would benefit from
  - Maximizing economic production from UKCS reserves
  - Maintaining diverse supplies and minimize imports
  - Contributing to efficient price formation on NBP
- Incentives to secure domestic customer supplies would be enhanced via
  - Increasing the amount of gas directly delivered at the NBP and under UK security of supply

# Pre modification engagement and assessment already completed/in progress



- Prior to the official UNC Modification BP and National Grid NTS have had extensive discussion to understand the impact of the proposal
- National Grid NTS has been conducting an independent initial assessment of BP proposal, and completed
  - A network analysis
  - An informal pre-consultation with NTS customers potentially impacted